

# State of California

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## Legislative Change No. 99-11

Bill Number: AB 114 Author: Florez Chapter Number: 99-165  
Laws Affecting Franchise Tax Board: Revenue and Taxation Code Sections 17207 and 24347.5  
Date Filed with the Secretary of the State: July 26, 1999

SUBJECT: Disaster Loss Deduction/1998-99 Winter Freeze

**Assembly Bill 114 (Florez), as enacted on July 26, 1999, made the following changes to California law:**

**Sections 17207 and 24347.5 of the Revenue and Taxation Code are amended.**

Under the Personal Income Tax Law (PITL) and the Bank and Corporation Tax Law (B&CTL), this act allows special disaster treatment of losses sustained as a result of a freeze or any related casualty that occurred during the winter of 1998-99 in any county of California that was declared a disaster. Specifically, this act allows 100% of these losses to be carried forward for up to 5 years. If any loss remains after the 5 year period, 50% of the remaining loss may be carried forward for up to 10 additional years. The \$100 and 10% of adjusted gross income limitations in existing law apply to disaster losses on nonbusiness property.

This act allows the amended return claiming the disaster loss to be filed by the extended due date of the return for the taxable or income year in which the disaster occurred.

In addition, this act adds a provision inadvertently dropped in a prior amendment to these sections, which reinstates favorable disaster loss treatment to Governor declared disasters which are added to the lists of disasters in these code sections.

This special disaster treatment of losses applies to the taxable or income year of the loss, which may be 1998 or 1999, depending on whether the taxpayer is a fiscal or calendar year filer.

This act will not require any reports by the department to the Legislature.

Bureau Director

Johnnie Lou Rosas

Date

8/05/1999